

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1401**

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**Introduced by Assembly Member Ma**  
(Principal coauthor: Senator Leno)

February 27, 2009

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An act to add Chapter 10.1 (commencing with Section 46100) to Division 17 of the Food and Agricultural Code, relating to organic foods.

LEGISLATIVE COUNSEL'S DIGEST

AB 1401, as amended, Ma. Transition to Organics Act.

Existing law prohibits a food from being sold as organic unless it meets certain criteria, and accurate and specific records are kept detailing its production, handling, and sale.

This bill would enact the California Transition to Organics Act of 2009. The bill would establish the Transition to Organics Fund, ~~and would specify the uses for which the money in the fund could be expended~~ *which would consist of moneys from federal, industry, and citizen sources. The bill would limit the expenditure of moneys from the fund to providing financial assistance to farmers who transition from conventional farms to certified organic farms and to covering administrative and operational expenses incurred in administering the act, as specified.* The fund would be administered by the Secretary of Food and Agriculture, and the secretary would be authorized to adopt regulations to carry out the provisions of the act.

~~The bill would also require the secretary to establish a general account within the fund and separate accounts for each county, for specified~~

~~purposes related to providing financial assistance to farms transitioning from conventional farm to certified organic farms.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 10.1 (commencing with Section 46100)  
2 is added to Division 17 of the Food and Agricultural Code, to read:

3  
4 CHAPTER 10.1. TRANSITION TO ORGANICS ACT  
5

6 46100. This chapter shall be known and may be cited as the  
7 “California Transition to Organics Act of 2009.”

8 46101. This act shall be shall be interpreted in conjunction  
9 with the National Organic Program (7 U.S.C. Sec. 6501 et seq.),  
10 the California Organic Products Act of 2003 (Chapter 10  
11 (commencing with Section 46000) of this code, and Article 7  
12 (commencing with Section 110810) of Chapter 5 of Part 5 of  
13 Division 104 of the Health and Safety Code), and the regulations  
14 adopted pursuant to the National Organic Program and the  
15 California Organic Products Act of 2003.

16 46102. For purposes of this chapter, the following definitions  
17 apply:

18 (a) “Act” means this chapter.

19 (b) “Agricultural product” means any agricultural commodity  
20 or product, whether raw or processed that is marketed in the United  
21 States for human or livestock consumption.

22 (c) “Certified organic farm” means a farm, or portion of a farm,  
23 or site where agricultural products are produced, that is certified  
24 by ~~the~~ a certifying agent *on or after January 1, 2010*, pursuant to  
25 the National Organic Program and the California Organic Products  
26 Act of 2003 as utilizing a system of organic farming.

27 (d) “Conventional farm” means any farm, or portion of a farm,  
28 that is not a certified organic farm, and has ~~as of the date of the~~  
29 ~~passage of this act~~, submitted a pesticide use report for that farm  
30 pursuant to Section 12979, *prior to January 1, 2010*.

31 (e) “Organically produced” means an agricultural product that  
32 is produced and handled in accordance with the National Organic  
33 Program and the California Organic Products Act.

1 (f) "Person" means an individual, group of individuals,  
2 corporation, association, organization, cooperative, or other entity.

3 (g) "Pesticide" means any substance that alone, in chemical  
4 combination, or in any formulation with one or more substances,  
5 is defined as a pesticide in the Federal Insecticide, Fungicide, and  
6 Rodenticide Act (7 U.S.C. 136 et seq.).

7 (h) "Secretary" means the Secretary of Food and Agriculture.

8 46103. The Transition To Organics Fund is hereby created.

9 The Transition To Organics Fund is not a fund of the State  
10 Treasury. Transfers to the Transition To Organics Fund may be  
11 deposited in the State Treasury, or in a bank or other depository  
12 approved by the Department of Finance. ~~Funds that are so~~  
13 ~~transferred are exempt from Sections 11270 and 11272 of the~~  
14 ~~Government Code. Notwithstanding any other provision of law,~~  
15 *the moneys in the Transition to Organics Fund shall not be*  
16 *transferred to any other fund or encumbered or expended for any*  
17 *purpose other than as provided in this act.*

18 46104. The Transition To Organics fund shall consist of  
19 moneys deposited into the fund from federal, industry, and citizen  
20 sources. ~~The Transition To Organics Fund may additionally receive~~  
21 ~~moneys from the General Fund. No moneys from the General Fund~~  
22 *shall be deposited into the Transition to Organics Fund.*

23 46105. The Transition To Organics Fund shall be administered  
24 by the secretary. The secretary may adopt regulations as needed  
25 to carry out the provisions of this act.

26 46106. Expenditure of funds by the secretary pursuant to this  
27 act shall be limited to the following:

28 (a) Providing financial assistance to farmers who are  
29 transitioning from conventional farms to certified organic farms:  
30 *pursuant to the following procedure:*

31 (1) *Upon obtaining organic certification to sell organically*  
32 *produced products, for the first year of the organic certification,*  
33 *a farmer transitioning from a conventional farm to a certified*  
34 *organic farm may apply for and receive a reimbursement of 25*  
35 *percent of the costs associated with obtaining organic certification,*  
36 *including inspection fees, application fees, and annual fees.*

37 (2) *The maximum amount of payment made for any farm*  
38 *transitioning from a conventional farm to a certified organic farm*  
39 *shall be two hundred fifty dollars (\$250). Reimbursement shall be*  
40 *made on a first-come-first-served basis, and shall be contingent*

1 *upon sufficient funds being available in the Transition to Organics*  
2 *Fund.*

3 (b) ~~Reasonable administrative~~ *Administrative* and operational  
4 expenses incurred in the administration of this act *not to exceed*  
5 *10 percent of the total moneys deposited into this fund.*

6 ~~46107. The secretary shall establish separate accounts within~~  
7 ~~the Transition to Organics Fund. The secretary shall establish a~~  
8 ~~general account. The secretary shall additionally establish separate~~  
9 ~~county accounts, with one county account for each county in the~~  
10 ~~state.~~

11 ~~46108. Subject to Section 46113, moneys deposited within a~~  
12 ~~county account shall only be expended by the secretary for~~  
13 ~~providing financial assistance to farmers who are transitioning~~  
14 ~~farms located within that county from conventional farming to~~  
15 ~~certified organic farms.~~

16 ~~46109. Moneys deposited into the general account may be used~~  
17 ~~to provide financial assistance to any farmer in the state who is~~  
18 ~~transitioning from a conventional farm to a certified organic farm,~~  
19 ~~as well as for reasonable administrative expenses pursuant to~~  
20 ~~Section 46106.~~

21 ~~46107. The secretary may administer the disbursement of~~  
22 ~~moneys from the Transition to Organics Fund in coordination with~~  
23 ~~the procedures associated with the federal Organic Certification~~  
24 ~~Cost-Share program authorized under Section 6523 of Title 7 of~~  
25 ~~the United States Code.~~

26 ~~46110.~~

27 ~~46108. The secretary shall receive and accept on behalf of the~~  
28 ~~Transition to Organics Fund, any contribution of money from any~~  
29 ~~person, or any agency of this state or the United States to~~  
30 ~~the Transition to Organics Fund, and shall deposit those~~  
31 ~~contributions in the Transition to Organics Fund.~~

32 ~~46111. Any contribution specifically directed by a contributor~~  
33 ~~toward a particular county account shall be deposited in that~~  
34 ~~specified county account.~~

35 ~~46112. Any contribution specifically directed by a contributor~~  
36 ~~toward the general account, shall be deposited in the general~~  
37 ~~account. Any contribution that is not specifically directed by the~~  
38 ~~contributor toward a particular account within the Transition To~~  
39 ~~Organics Fund, shall be deposited in the general account.~~

1     ~~46113. In the event that a county account has funds within it,~~  
2     ~~and no moneys within that county account have been distributed~~  
3     ~~pursuant to this act to farmers within that county for a total of three~~  
4     ~~years, the secretary may transfer some, or all, of the funds within~~  
5     ~~that county account to the general account, and these transferred~~  
6     ~~funds will no longer be limited to distribution within that county.~~

7     ~~46114. The secretary shall specify the procedures to be used~~  
8     ~~by farmers seeking financial assistance pursuant to this act, as well~~  
9     ~~as the standards to be utilized by the secretary in determining~~  
10    ~~eligibility for this assistance.~~

11    ~~46115. In the disbursement of funds from both the general~~  
12    ~~account and the county accounts, the secretary shall seek to~~  
13    ~~maximize the acreage of farm land transitioning each year from~~  
14    ~~conventional farms to certified organic farms. To accomplish this~~  
15    ~~objective, the rules or regulations adopted pursuant to this act shall~~  
16    ~~include all of the following:~~

17    ~~(a) Prescribing the minimum and maximum amount of assistance~~  
18    ~~to be provided to each qualifying farmer.~~

19    ~~(b) Providing for financial assistance pursuant to this act based~~  
20    ~~upon the acreage of a farm, with at least some measure of greater~~  
21    ~~financial assistance being provided for farms of greater size.~~

22    ~~46116.~~

23    ~~46109. The secretary shall keep records of the contributions~~  
24    ~~to, and disbursements from, the Transition to Organics Fund. These~~  
25    ~~records shall be publicly available upon request. These records~~  
26    ~~shall be made available annually to the California Organic~~  
27    ~~Products Advisory Committee established pursuant to Section~~  
28    ~~46003.~~